



## Research Paper

# Socio-economic features and performance of self-help groups (SHGs) in western zone of Haryana

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**ABSTRACT :** In the present study Hisar district was selected from western zone of Haryana with the objectives of examine the socio-economic features and performance men and women SHGs. From the selected district, a list of SHGs was collected from Haryana Gramin Bank and categorized into two groups *i.e.* men SHGs and women SHGs. The selected sample 30 members were selected each from women SHG and men SHG *i.e.* total 60 members were selected. In the selected respondents 80 per cent of women SHG members were illiterate and among the men SHGs members 40 per cent had secondary education while 16.66 per cent were illiterate. The women SHGs members were not having any land in their name and working as a agricultural laborers. The members who belong to men SHG groups had an average land holding size of 2 acres including 1.5 acres as leased in land. Dairy farming was the main occupation and adopted by 50 per cent by men and 40 per cent by women SHGs. The fund utilization pattern was found to be more than 90 per cent in all the groups which were working more than past 4 years. In the study area there were 80 per cent were belongs to young age group of 20 to 45 years.

**KEY WORDS :** SHGs, Respondents

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## INTRODUCTION :

The biggest challenge to any civilized society is the economic deprivation of its rural part. The most potent tool against human deprivation is building human capital among the deprived through sustainable development initiative which is taken by the deprived themselves. "Self realization and self initiative are the two most powerful weapons to wash poverty out from the world map" this dynamic quotation of greatest economist Chanakya has been translated to one word that is SHG (Self-help group). Microfinance through SHG has become a ladder for the poor to bring them up not only economically but also

socially, mentally and attitudinally. Poverty alleviation is one of the primary objectives of any country's planning. Therefore, it becomes imperative to formulate situation specific poverty alleviation policies and programmes for generation of a minimum level of income for the rural poor. Increased involvement of banks in rural credit in post nationalization era is considered as an integral part of the socio-economic development efforts in the rural area. However, despite a vast network of commercial, co-operative, rural banks and other financial institutions, significant impact, could not be made on the grim poverty situation prevailing in rural India. Self-help group may be registered or unregistered. It typically comprises a group

of micro entrepreneurs having homogenous social and economic backgrounds coming together to save regular small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help.

Snehalatha and Reddy (1998) showed that education, achievement, motivation, education of children, food intake and health care, knowledge on thrift and credit had positive and significant correlation with additional income generated. Majority of the respondents had an annual additional generated income from Rs. 2,400 to Rs. 3,600. Only 6.67 per cent could earn above Rs. 3601 per annum while the remaining 18.33 per cent earned only upto Rs. 1200.

Raghavendra (2001) studied three SHGs run by forward, SC/ST and backward communities in Karnataka to assess the performance. He found member no longer borrow from moneylenders. It was suggested that with vision, participation and motivation, forward community SHGs could sustain in changing farm based activities into market based. For the other two groups, the major constraint is the resource, which must be met by local banks. The study suggested that group approach generating activities in the credit delivery system must be encouraged.

Rahane *et al.* (2001) in their study of role of sugar co-operatives in rural development through SHGs, underlined that the sugar co-operatives operated by SHGs were able to get various programmes from the sugar factory including cane development, transport, supply of credit for agricultural inputs, cattle camps, staff welfare, lift irrigation schemes, artificial insemination, live stock, poultry, construction of roads, tribal development, solid and water construction, methane gas plant, distillery, electricity project, paper plant, crop yield competitions, bio-fertiliser from spent wash, preventing environmental pollution. In all these SHGs have proved successful, which other factories may follow.

Kadian and Sankhala (2009) observed that members of self-help groups could get the loan easily and at lower interest rate than those of non-members. Most of the loan was contracted for a period of less than 12 months in turn respondents did not remain under stress of loan for longer period. There is a wide gap between the average net income in non-members and members situations. The incremental net income was also higher which accounted for 47.14 per cent increase over the non-members. The age of SHGs also had a positive impact

on the incremental net income. The feeling of members in terms of their self worth such as confidence building, meeting financial crisis, treatment towards neighbor, etc. were found higher in the members category. Various SHG activities have also improved the decision making capacity, communication skill of members, besides this a lot of behavioral changes (*i.e.* protest against drinking, gambling and beating) was also observed in the members' family.

## MATERIALS AND METHODS :

### Selection of districts :

For the present study, Western zone of Haryana was selected purposively on the basis that it has less irrigation facilities (67%) than Eastern Zone (86%) and it assumed that rural population of this zone require more income generating activities beside agriculture. From all the districts of the western zone (Rewari, Mahendergarh, Bhiwani, Hisar, Fatehabad and Sirsa), Hisar district was selected purposely on the basis of highest number of SHGs.

### Selection of villages :

Selection of villages formed the first stage of sampling. For selection of villages, a complete list of all villages where SHGs are functioning was prepared. Seven villages were selected based on the number of SHGs functioning in them under Haryana Gramin Bank. These villages were Ladwa, Dabra, Mirka, Neyolikalan, Sahpur, Mingnikhere and Matarshyam in Hisar district.

### Selection of respondents :

Selection of respondents formed the next stage of sampling. At this stage, a complete list of all SHG members in each of the selected village was prepared with the help of branch managers. A sample of 60 members *i.e.* 30 members belongs to women SHGs, whereas 30 members from men SHGs. The detail village wise distribution of respondent is presented in Table A.

### Collection of data :

The primary data were collected by personal interview of the selected members *i.e.* 30 members belongs to women SHGs, whereas 30 members from men SHGs. Before starting the actual data collection, the respondents were made familiar with the purpose and objectives of the present study. The interviews were

Table A : Selection of SHGs and respondents in Hisar district							
Sr. No.	Name of the selected village	No. of SHGs	No. of selected respondents				Total
			SHG		SHG Members		
			Women	Men	Women	Men	
1.	Ladwa	4	2	2	6(20)	6(20)	12
2.	Sahpur	2	1	1	3(10)	3(10)	6
3.	Dabra	3	2	1	6(20)	3(10)	9
4.	Mirkan	1	0	1	0	3(10)	3
5.	Neyolikalan	5	3	2	9(30)	6(20)	15
6.	Matarshyam	3	1	2	3(10)	6(20)	9
7.	Mingnikhera	2	1	1	3(10)	3(10)	6
	Total	20	10	10	30	30	60

Figures in parenthesis are total members of SHGs

conducted individually with each respondent, so as to avoid biasness in response in group meetings. Every possible care was taken to ensure the accuracy and reliability of the information. The help of bank officials was sought for obtaining correct and reliable data. The secondary data were collected from the annual report available at Haryana Gramin Bank, Hisar district.

## RESULTS AND DATA ANALYSIS :

The results obtained from the present investigation as well as relevant discussion have been summarized under following heads :

### Socio-economic features of self-help groups (SHGs):

Before conducting the study of SHGs it is necessary to have knowledge about composition and organization structure of SHGs in the study area therefore, in this section, self-help groups composition, and organizational

structure as a whole are being discussed.

### Composition of self-help groups :

The composition of SHGs was studied and the results are presented in Table 1. The findings revealed that in all the selected sample of 20 SHGs, 10 SHGs *i.e.* 50 per cent were women groups and 10 SHGs *i.e.* 50 per cent were men groups. On an average it was observed that there were 10 members in both women and men groups. 30 members were selected from women SHG and 30 were selected from men SHG *i.e.* total 60 members were selected.

### Education level of the selected respondents :

The education level of the selected respondents are presented in Table 2. It was observed that 80 per cent of women SHG members were illiterate and 16.66 per cent of members acquired primary education. Among the men SHGs members 40 per cent had secondary education while 36.66 per cent had primary education.

<b>Table 1 : Composition of SHGs in Hisar district of Haryana</b>				
Sr. No.	Composition	No. of SHGs	Total no. of SHGs members	No. of SHGs members selected
1.	Women SHG	10	100	30
2.	Men SHG	10	100	30
	Total SHGs	20	200	60

<b>Table 2 : Education level of the selected respondents in Hisar district</b>					(percentage)
Sr. No.	Education level	Women SHGs		Men SHGs	
		No. of member	Percentage	No. of member	Percentage
1.	Illiterate	24	80.00	5	16.66
2.	Primary	5	16.66	11	36.67
3.	Secondary	1	3.34	12	40.00
4.	Graduate and above	-	-	2	6.67
	Total	30	100	30	100

There are 6.67 per cent are higher educated and only 16.66 per cent are illiterate among men SHG members.

#### Land holding size of the selected respondents :

The land holding size of the selected respondents are presented in Table 3. In the selected area women SHGs members were not having any land in their name and working as agricultural labourers. The members who belong to men SHG groups had an average land holding size of 2 acres including 1.5 acres as leased in land.

#### Occupation structure of respondents :

Occupation structure of respondents presented in Table 4 revealed that dairy farming was the main occupation and adopted by 50 per cent by men and 40 per cent by women SHGs.

Beside this small petty shops like bangles selling and running of boutique centre were adopted by 20 per cent of each by women SHGs. Running of food processing unit and handicraft units were adopted by 30 per cent and 20 per cent, respectively by men SHGs.

#### Performance of selected respondents of women and men SHGs in Hisar district :

The overall performance of selected respondents of women and men SHGs in the basis of their working period is presented in Table 5. Among the 60 respondents (30 from women SHGs and 30 from men SHGs) 15 members were selected from 5 SHGs which were functioning for past 2 years, 25 members are selected

from 8 SHGs which were functioning for between 2-3 years, 15 members were selected from 5 SHGs which were functioning for past 3-4 years and 5 members are selected from 2 groups which were functioning for more than 4 years. The data presented in the Table 5 shows that attendance of the members in monthly meeting and participation in discussion of group activities in an used with the age of SHGs. Further more the deposit mobilization was also regular in all the groups with a fixed rate of 7 per cent annually irrespective of their working experience. Monthly saving of the members increased from Rs. 100 for the group of below 2 years to Rs. 220 above 4 years of working period. Internal lending interest rate is different on the basis of amount of money loaned to the member in the groups, it was 10 per cent charged per month upto Rs. 500, 5 per cent on Rs. 500-5000, 1 per cent on an amount of more than Rs. 50000.

Among the respondents 15 per cent of the members in both men and women belong to the age group of 45 to 65 years, 80 per cent were in age group of 20 to 45 years and 5 per cent of them were above 65 years age group. All these SHGs majority of the members (60 to 80%) participate and had lively and probing discussion among members about the credit worthiness, need and requirement of the funds, future possible income and repayment, priorities, etc. to arrive at some practical and time humane decisions.

#### Financial performance of SHGs in Hisar district :

The overall financial performance of SHGs were analyzed on the basis of monthly saving, bank balance,

**Table 3: Average land holding size of the selected respondents in Hisar district (Area in acres)**

Sr. No.	Particulars	Women SHGs	Men SHGs
1.	Own land	-	0.50
2.	Leased in	-	1.50
3.	Leased out	-	-
4.	Total	-	2.00

**Table 4 : Occupational structure of selected SHGs in Hisar district**

Sr. No.	Occupation	SHGs			
		Women	Percentage	Men	Percentage
1.	Dairy farming	4	40	5	50
2.	Food processing unit	1	10	3	30
3.	Bangles shop/Pitty shops	2	20	0	0
4.	Handicraft unit	1	10	2	20
5.	Tailoring center	2	20	0	0
		10	100	10	100

internal lending and credit linkage. The results are presented in Table 6. The SHGs were categories into 4 groups based on the number of years of their working as upto 2 years, 2 to 3 years, 3 to 4 years and above 4 years. Among the 5 SHGs functioning for upto 2 years, each member were saving on an average Rs. 100 per month and the group as whole maintained Rs. 4420 as balance in the bank.

It was also observed that the groups started internal

lending just Rs. 500. Under the group of 2 to 3 years of working, there were 8 SHGs whose average saving of a member was Rs. 150 per month. The group had an average bank balance of Rs. 6355 and had started internal lending on an average of Rs. 8000 to its members. The group had received on an average Rs. 25000 as a initial funding by bank and after that got Rs. 225000/- as finance from banks to start income generating economic activities. In the group of 3 to 4 years of working, there were 5

**Table 5 : Overall performance of selected respondents of women and men SHGs in Hisar district**

Particulars	Indicators	SHGs			
		Period of working (Years)			
		Upto 2	2 to 3	3 to 4	above 4
No. of selected groups		5	8	5	2
Composition	Women SHG /men SHG	3w/2m	3 w/5 m	3 w/2 m	1 W/ 1 m
Group size	Av. No. of member	10	10	10	10
Member selected		15	25	15	5
Members meeting	Irregular	Monthly	Monthly	Monthly	Monthly with
	Regular with fixed date	with fixed	with fixed	with fixed	fixed date
	Regular with fixed date and time	date	date	date	and time
Attendance of members	>90%	12(80.00)	20(80.00)	13(86.66)	5(100)
	70-90%	2(13.34)	5(20.00)	2(13.34)	0
	<70%	1(6.66)	0	0	0
Belongs to age groups (both men and women)	20-45 yrs	12	19	14	3
	45-65 yrs	3	5	1	0
	Above 65	0	1	0	2
Participation of members in discussion etc.	>75%	9(60.00)	16(64.00)	12(80.00)	4(80.00)
	50-70%	3(20.00)	7(28.00)	2(13.33)	1(20.00)
	<50%	3(20.00)	2(8.00)	1(6.66)	0
Saving	Regular	15(100)	25(100)	15(100)	5(100)
	Fixed rate (Rs. / month / member)	100	150	180	220
	Interest rate on group loan (%)	7	7	7	7
Interest rate among the members	Upto Rs. 500 (% per month)	10	10	10	10
	Rs. 500-5000 (% per month)	5	5	5	5
	Rs. 5000- 50000 (% per month)	2	2	2	2
	Above Rs. 50000 (% per month)	1	1	1	1

Note: Figures in parenthesis are present of total

**Table 6 : Overall financial performance of selected SHGs in Hisar district**

Sr. No.	Period of working (Years.)	No. of groups	No. of members	Av. monthly saving per member (Rs.)	Av. bank balance per group (Rs.)	Av. internal lending per group (Rs.)	Initial average funding per group(Rs.) by banks to promote the SHG scheme	Av. finance by banks to run economic activity per group (Rs.)
1.	Upto 2 years	5	(15)50	100	4420	500	25000	-
2.	2-3 years	8	(25)80	150	6355	8000	25000	225000
3.	3-4 years	5	(15)50	180	46630	10300	25000	225000
4.	Above 4 years	2	(5)20	220	52250	12500	25000	225000

SHGs in this category.

It was found that they had bank balance on an average of Rs. 46630 per group and had started internal lending activity among the members. The group function from past more than 4 years has good internal lending among the members. Group had received on average Rs. 25000 as an initial funding by banks and got financial support of Rs.225000 to run various economic activities among the group members. The findings of the present study are in conformity with the findings of Antwal (2015).

### Conclusion :

The study reveals that 80 per cent of women SHG members were illiterate whereas in case of men SHG members only 16.66 per cent were illiterate. In case of occupational structure the 40 per cent women SHG were engaged in dairy farming followed by 20 per cent in bangles shop and tailoring centre, respectively whereas in case of men SHG 50 per cent and 30 per cent were engaged in dairy farming followed by food processing unit, respectively. It has been observed from the study that all the SHG members were aware of all the rules formed for operating the activities, it was also observed that in all the meetings more than 90 per cent and 75 per cent members attended regularly. It was found from the study that the SHG which are working more than 3 years having better internal lending than new ones *i.e.* working from past 1-2 years.

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